

# National Animal Identification System

(Docket No. 05-015-1)

Comments submitted by

Texas Cattle Feeders Association

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## **Introduction**

Texas Cattle Feeders Association (TCFA) appreciates the opportunity to provide comments to USDA regarding the National Animal Identification System (NAIS) and the Draft Strategic Plan for 2005 to 2009. TCFA members have participated in the Beef Cattle Working Group and on the National Cattlemen's Beef Association (NCBA) Animal Identification Commission. We support the comments submitted on the NAIS by the National Cattlemen's Beef Association. TCFA represents cattle feeders and feedyards in Texas, Oklahoma and New Mexico. Our members marketed more than seven million head of fed cattle in 2004, or approximately 30% of the nation's fed cattle supply.

Animal health and disease surveillance for the beef industry has been a long and well established partnership between the industry and state and federal animal health officials. An effective surveillance system will be significantly enhanced by an animal identification system allowing expeditious and efficient traceback of animal diseases. We believe that successful disease prevention and eradication efforts will benefit from a strong and effective infrastructure that supports federal, state and industry partnerships.

TCFA supports the goal of being able to identify all animals and premises that have had contact with a foreign or domestic animal disease within 48 hours after discovery. We further support the concept of a system that provides for rapid tracing of infected and exposed animals during an outbreak situation to limit the effect of those outbreaks and ensure that they are contained and eradicated as quickly as possible.

The need for effective tools, like animal identification, to help expedite traceback of animals or enhance our ability to provide better disease surveillance/tracking is generally accepted within the industry. However, we must ensure that the use of these additional tools does not decrease the need for the strong infrastructure of state and federal support that has served us well in the past, protecting both the consuming public and the health of the U.S. cattle population.

## **Confidentiality**

TCFA believes that animal identification and movement data is more secure in a private data base. We are very concerned with the ability of USDA to provide confidentiality for information maintained within a database held by USDA or state agencies. Recent events surrounding Bovine Spongiform Encephalopathy (BSE) investigations have proven that information related to an investigation can be requested through freedom of information (FOIA) channels and that state and federal agencies have little or no ability to maintain confidentiality of information that can and does cause economic harm to

producers and the industry. The system must be readily available for the needs of state and federal animal health officials, but it must also provide clear protections for producers and their interests. This concern is the principal reason that NCBA members are finalizing development of a single/central national database that will allow appropriate access to animal health officials while protecting producer information in a business setting that better respects confidential business information.

### **Flexibility**

TCFA believes the system must be flexible and able to accept data from existing systems. While much of the industry is preparing to implement Radio Frequency Identification Device (RFID) systems, there are numerous systems already in place that provide animal identification and traceback capability. States with brand identification should be a fundamental part of the development of any system. The draft does not appear to fully consider the importance of current brand identification systems and the years of reliance upon these highly successful systems.

The database should have the ability to support multiple types of information transfers throughout the chain, and there is a dramatic need to allow the database to provide additional economic incentives for producers while protecting that information in a confidential environment. Today there are significant economic benefits to producers that can provide genetic and performance information about their cattle to other producers in the chain of ownership. We support this function and capability but realize that it goes well beyond the scope of the NAIS. This is one of the primary reasons that NCBA is leading the effort to create a single, private, central database that provides appropriate access to state and federal officials and allows producers to further utilize technology for their own economic interest.

### **Financial**

TCFA believes that one benefit of a private-sector animal identification database is lower cost of operation. Early cost estimates by USDA to implement the NAIS are significantly higher than the funds requested by USDA, indicating that USDA expects producers and the industry to pay for the majority of systems costs. TCFA agrees that producers should have a financial stake in the system, but we also believe that producers should be allowed to use the system (if they so desire) to create economic returns through the system.

A primary barrier to acceptance and utilization of a USDA managed NAIS is that it provides no mechanism or capability to transfer economic signals and returns along the production system. Even with the development of a USDA database for animal movements and the expense associated with the operation of such a database, private industry would have to create a private system to allow producers to receive economic incentives for production practices.

TCFA will continue to support adequate appropriations for animal health surveillance and foreign animal disease prevention programs, including premises registration activities already underway with states and tribes. TCFA opposes efforts that will duplicate or further burden existing systems without providing clear incentives for producers and markets that will bear the majority of costs of any system.

## **Mandatory Participation/Timeline**

A significant challenge within the strategic plan will be the proposed transition to a mandatory NAIS based on the following circumstances. 1) The plan depends heavily on voluntary participation, without incentives, economic or otherwise to encourage participation. This plan would ultimately lead to forced participation in a system that is yet to be BETA tested at a significant level in the real world. 2) The industry technology solutions currently available are not generally capable of operating at the speed of commerce in traditional marketing systems without significant costs. 3) Concerns over confidentiality and data storage issues remain as major stumbling blocks to industry support.

Significant progress can be made through a partnership of private and public interests allowing for the majority of producers to participate voluntarily in a NAIS. We have communicated to our members that the program will likely be mandated at some point in the future; however, it remains unclear within the draft what circumstances will result from deviations in the timeline. If timelines are not met and systems (technology) cannot meet market operational standards for time, speed, and accuracy in a cost effective manner, will USDA reconsider the proposed timeline?

TCFA believes an arbitrary timeline to reach mandatory status confuses the true goal of the program to achieve traceback of animals within 48 hours. Industry timelines for reaching significant milestones are much shorter than those identified in the draft plan. The timeline established by the department should be goal focused, and not date oriented. Industry stakeholders are working with date centered timelines for specific product development based on market conditions and technology improvements.

## **NAIS Strategic Plan Questions and Responses**

*The Draft Strategic Plan calls for making the entire system mandatory by January 2009. Is a mandatory identification program necessary to achieve a successful animal disease surveillance, monitoring and response system to support Federal animal health programs?*

We believe that the development—over time—of the NAIS should provide state and federal animal health authorities with the most effective and efficient animal disease surveillance system possible. We do believe the system envisioned by some at APHIS that would record every single movement where cattle are commingled with animals from another premises is unworkable by January 2009. USDA and industry should identify the highest risk animal populations and achieve a high level of compliance before spending resources on low risk populations. Furthermore, we believe that setting arbitrary dates for such implementation is meaningless until workable solutions can be developed for the dilemmas of tagging, movement scanning, and recording are addressed. Arbitrary dates will likely force industry to use currently approved technology and practices that will place a significant economic burden on producers. Industry and government should work together to develop a system that strives to provide the best surveillance system possible, under either a voluntary or mandatory format.

*In the current Draft Strategic Plan, the NAIS would require that producers be responsible for having their animals identified before the animals move to premises where they are to be commingled with other animals, such as the sale barn. At what point and how should compliance be ensured? For example, should market managers, fair managers, etc. be responsible for ensuring compliance with this requirement before animals are unloaded at their facility or event?*

For epidemiological reasons, animals must be identified or associated with original premises prior to commingling with animals from another premises. There are currently requirements for animals entering interstate commerce, those standards should still apply. Further discussion must continue to determine the standards that will be used for private treaty and commingling conditions. System standards should not be adopted that prove to be an impediment to commerce unless no other options exist. Large numbers of producers do not have facilities on their own properties to brand, tag or individually identify animals. We believe that weigh points, livestock markets, dealer pens and “custom tagging stations” may all have a role in identifying animals prior to, or as they enter, commerce. Group lot identification should be utilized whenever possible, but only when it maintains the integrity of the rapid traceback system.

*In regard to cattle, individual identification would be achieved with an AIN tag that would be attached to the animal's left ear. It is acknowledged that some producers do not have the facilities to tag their animals; thus, the Draft Program standards document contains an option for tagging sites which are authorized premises where owners or persons responsible for cattle could have their cattle sent to have AIN tags applied. Do you think this is a viable option or can markets or other locations successfully provide this service to producers who are unable to tag their cattle at their farms?*

See answer above.

*The current Draft Strategic Plan does not specify how compliance with identification and movement reporting requirements to be achieved when the sale is direct between a buyer and seller (or through their agents). In what manner should compliance with these requirements be achieved? Who should be responsible for meeting these requirements? How can these types of transactions be inputted into the NAIS to obtain the necessary information in the least costly, most efficient manner?*

TCFA believes producer integrity is the best option in such transactions to ensure reporting such movements. We believe that for producers to have “buy-in” and be willing participants, USDA should adopt systems for movement recording that producers will be most likely to accept and utilize. To achieve this, we believe that producers will be more likely to participate and record movement data in a privately held animal data system as opposed to a government owned and managed system. USDA and state agencies can consider enforcement and possible penalties after adequate time is allowed for producer adoption and implementation.

*USDA suggests that animals should be identified anytime prior to entering commerce or being commingled with animals from other premises. Is this recommendation adequate to achieve timely traceback capabilities to support animal health programs or should a timeframe (age limit) for identifying the animals be considered?*

TCFA agrees that identification requirements must consider the epidemiological risks and those animals should be identified at or prior to entering commerce or commingling environments. Group lot identification, including branding, should be considered for animals that move as a group or lot into and through commerce.

*Are the timelines for implementing the NAIS, as discussed in the Draft Strategic Plan, realistic, too aggressive (i.e. allow too little time) or not aggressive enough?*

The implementation timeline will be too aggressive if stakeholder concerns on confidentiality, cost, effectiveness and ease of implementation are not properly addressed to avoid major economic disruption to the industry.

We understand that there is a concern that NAIS is not being implemented fast enough, but implementing a poorly developed plan will result in poor producer compliance. We continue to caution USDA to implement the plan as the stakeholder concerns are properly addressed.

*Should requirements for all species be implemented within the same timelines or should some flexibility be allowed?*

TCFA believes each species group must work with the department to develop its own implementation timelines.

*What are the most cost-effective and efficient ways for submitting information to the database (entered via the internet, file transfer from a herd management computer system, mail, phone, and third party submission of data)? Does the type of entity (e.g. producer, market, processing plant), the size of the entity, or other factors make some methods for information submission more or less practical, costly or efficient?*

The flexibility of information input and retrieval within the database will help determine the ability of the system to manage data in varying formats and style. The ability of data management systems to function at the “speed of commerce” and to allow producers to utilize the most efficient and affordable technologies should be a top priority. This will include both electronic and manual data input capabilities. TCFA believes that we should look for technology solutions that meet the needs of all segments of the industry.

*We are aware that many producers are concerned about the confidentiality of the information collected in the NAIS. Given the information identified in the draft documents, what specific information do you believe should be protected from disclosure and why?*

TCFA believes that all producer information, including confidential business information, should receive protection from disclosure. We believe that all available measures should be taken to protect confidentiality of producers’ information. First, we believe legislation should be enacted to protect producers’ information. However, recognizing court interpretation often deviate from the legislative intent of Congress, we strongly believe that enactment of a law can not be the sole tool to protect information from being acquired by other agencies or become subject to a Freedom of Information Act disclosure requirement.

More importantly, we believe a “FOIA firewall” can be significantly enhanced by creating a private data network system that allows all animal information to be maintained outside the control of USDA. Should NAIS ever become mandatory, it is expected that animal data will be stored on a minimum of 60 million cattle owned by at least 1 million cattle producers in the early implementation of the system. Should unauthorized persons have access to this information; a dangerous situation will exist for producers. Knowing a private data management system can and should provide animal health agencies with immediate access at any time of the day or night, we urge USDA to allow the industry to provide this service while providing greater protection for producer information.

*The NAIS as planned would require States, producers, and other participating entities to provide information and develop and maintain records. How could we best minimize the burden associated with these requirements? For example, should both the seller and the buyer of a specific group of animals report the movement of the animals, or is reporting by one party adequate?*

TCFA supports the current guidelines outlined in the NAIS that require a movement to be recorded upon delivery of cattle to the receiving premises. We also acknowledge that a dual entry approach for both shipping and receiving entities will ensure a greater accuracy of data entered into a system. In the early stages of NAIS implementation, a primary objective of movement reporting should be to make the process as user friendly as possible. We would expect, as industry participants become increasingly familiar and comfortable with the various movement recording methods, USDA and industry stakeholders can reevaluate whether or not a “double entry” requirement is necessary in the future. We believe that a double entry requirement in the early stages of implementation will discourage participation.

*APHIS is requesting comment from stakeholders regarding the utility of a privately managed database for holding animal location and movement information. Among the issues you may wish to comment on are the following: 1) How should a private database system be funded? 2) Should the NAIS allow for multiple privately managed databases? 3) Should a public (government) system be made available as well as a privately managed system so that producers would have choice? 4) Should a privately managed system include all species? 5) Would either system work equally well at the state level?*

1) TCFA believes that a single, centralized database held in the private sector will provide the greatest flexibility in use for USDA. Much of the costs associated with the development in the private sector have been born by existing entities. NCBA's Animal Identification Commission has estimated that a minimal tag surcharge will adequately cover the costs of implementing a system. All producers would pay the same rate and the system, operated through an independent consortium, could regularly evaluate its operations for greater efficiency.

2) TCFA believes a single private network system should allow an unlimited number of qualified private companies to offer movement recording services to producers and input movement information to this system.

3) TCFA believes that government should not offer a system that competes with a private sector network system. We believe that a private system can and should allow

producers who do not wish to use a private company to be able to enter movement information at no cost associated with movements. Producers utilizing existing systems should be able to continue to utilize those systems.

4) TCFA believes a privately managed network system should accommodate all species covered by NAIS.

5) With very limited funding available to most state animal health agencies, we do not believe states will be able offer an animal database system as efficiently and effectively as a private animal database network. Many producers have an innate skepticism about providing information to state and federal animal health authorities; therefore we believe the private database network system will work better for both the nation's animal health authorities and producers alike.

### **Conclusion**

TCFA appreciates the opportunity to comment on this important issue. Several challenges must be addressed before the NAIS can be implemented in a way that does not place a significant economic burden on producers and the industry's handling and processing infrastructure. This burden can occur in the form of slowing the rate of flow of livestock through our marketing infrastructure (markets, order buying operations, etc.) or in the form of excessive stress, shrink and injury costing millions of dollars. We strongly urge USDA to work with the industry with the goal of utilizing each other's strengths and resources to implement a system that provides the industry an effective tool to better manage the nation's cattle herd and provide our animal health officials with the best disease surveillance system possible.

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